

JUNE 1, 1981

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON JUNE 1, 1981, at 10:00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

OIL, GAS AND HYDROCARBON LEASE APPLICATIONS - REJECTED

Upon recommendation of Mr. Blake, the Director rejected the Oil, Gas and Hydrocarbon lease applications listed below and ordered a refund of the advance rentals to the applicant. The filing fees are forfeited to the State of Utah.

Min. Lease Appl. No. 39220 T4S, R2E, SLM Utah
Henry C. Goodman Section 31: SW $\frac{1}{4}$ NE $\frac{1}{4}$ 37.50 acres
301 South 10th East
Salt Lake City, UT 84102

REJECTED: Oil & gas are reserved to the United States
REFUND: \$40.00 (Incorrect acreage)

Min. Lease Appl. No. 39221 T9N, R1W, SLM Box Elder
Petroleum Land Corporation Section 29: A11 2535.27 acres
301 South 10th East Section 31: A11
Salt Lake City, UT 84102 Section 32: A11

T8N, R1W, SLM
Section 5: A11

REJECTED: Conflict with SLA 534
REFUND: \$2536.00

METALLIFEROUS MINERALS LEASE APPLICATIONS - REJECTED

Upon recommendation of Mr. Blake, the Director rejected the Metalliferous Minerals lease applications listed below and ordered a refund of the advance rentals to the applicant. The filing fees are forfeited to the State of Utah.

Min. Lease Appl. No. 39212 T10S, R12W, SLM Tooele
Floyd Douglas Cannon Section 2: Lots 1,2, SE $\frac{1}{4}$ NE $\frac{1}{4}$, 210.21 acres
1982 Yale Avenue E $\frac{1}{2}$ SE $\frac{1}{4}$
Salt Lake City, UT 84108

REJECTED: Conflict with ML 26301
REFUND: \$211.00

PARTIAL CANCELLATION OF ML 37215 - OIL, GAS AND HYDROCARBON LEASE

The above numbered lease as approved September 10, 1979, included lands already under ML 27509 as to the following:

T15S, R8E, SLM Carbon County
Section 5: Lots 2,3,7,10 211.80 acres
S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

ML 27509 was erroneously taken off the plat for cancellation in 1974, but was not placed back on the plat. Nevertheless, ML 27509 is in good standing and ML 37215 should not have been approved as to the conflicting lands; therefore, upon recommendation of Mr. Blake, the Director approved the partial cancellation of that ML 37215 as to the above described lands, and that Sonja V. McCormick be refunded \$422.00 paid in advance rentals on the deleted portion for the past two years

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EXPIRATION OF ML 27547 - BUILDING STONE

The above numbered lease has reached the end of its primary term of ten years and shows no production activity; therefore, upon recommendation of Mr. Blake, the Director approved the cancellation of this lease effective June 1, 1981 and offering the lands for lease by simultaneous bid.

CHANGE OF BOND FOR - ML 31803

Curtis Lamb has submitted surety bond #5774753 with Western Surety Company in the amount of \$2,000 to cover operations to be conducted under the above numbered lease. Mr. Curtis Lamb is taking this lease on assignment from Harry Saunders, therefore, upon recommendation of Mr. Blake, the Director approved the release of C.D. #844011 with First Security Bank in the amount of \$1,000 previously posted by Harry Saunders as bond to cover operations under this lease and accepted surety bond #5774753 with Western Surety Company.

MINERAL LEASE ASSIGNMENTS

TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon lease listed below to Valero Producing Co., P.O. Box 500, San Antonio, TX 78292 by John E. Hoffman, who reserves 2% overriding royalty. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: John E. Hoffman

ML 38463....T7N, R1E, Sec 12: NW $\frac{1}{4}$ NE $\frac{1}{4}$, 40.00

Weber

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon lease listed below to Phillips Petroleum Company, 7800 East Dorado Pl., Greenwood Pl., Woodside II, Englewood, CO 80111 by Stephen C. Helbing, who reserves 6.25% overriding royalty. The State assumes no responsibility in collecting overriding royalty.

LEASE OWNERSHIP: Stephen C. Helbing

ML 31435....T5N, R3E, Sec 2: A11; Sec 14: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$,
N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, 971.08

Morgan

ML 31436....T7N, R3E, Sec 2: A11; Sec 26: E $\frac{1}{2}$ NW $\frac{1}{4}$, 724.12

Weber

ML 31437....T7N, R4E, Sec 24: N $\frac{1}{2}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Sec 22: N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$,
Sec 26: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 28: NE $\frac{1}{4}$ NW $\frac{1}{4}$, 760.00

Weber

ML 31438....T8N, R3E, Sec 1: A11, Sec 35: N $\frac{1}{2}$, SE $\frac{1}{4}$, 1121.28

Weber

ML 31439....T8N, R3E, Secs 11,13,23,25, A11, 2560.00

Weber

ML 31440....T9N, R3E, Sec 26: SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Sec 35: N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$, 800.00

Cache

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Enserch Exploration, Inc., P.O. Box 2649, Dallas, TX 75221 by Standard Energy Corporation, who reserves 6 $\frac{1}{2}$ % overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Standard Energy Corporation

ML 37390....T26S, R20E, Sec 16: A11, 640.00

Grand

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TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES CONTINUED

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Enserch Exploration, Inc., P.O. Box 2649, Dallas, TX 75221 by Standard Energy Corporation, who reserves 1 $\frac{1}{4}$ % overriding royalty and 5% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Standard Energy Corporation

ML 38162...T26S, R20E, Sec 34: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, 120.00

Grand

OVERRIDING ROYALTY ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of 1/99 of 5% overriding royalty in the Oil, Gas and Hydrocarbon leases to Houston Oil Partnership, 1100 Louisiana, Houston, TX 77002 by Houston Oil & Minerals Corporation. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Houston Oil & Minerals Corporation

....ML 33694....ML 28331....ML 28941....ML 30357...ML 30358....ML 30362

Upon recommendation of Mr. Prince, the Director approved the assignment of 5% overriding royalty in the Oil, Gas and Hydrocarbon leases to Houston Oil Trust, 1100 Louisiana, Houston, TX 77002 by Houston Oil & Minerals Corporation. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Houston Oil & Minerals Corporation

....ML 33694....ML 28331....ML 28941....ML 30357...ML 30358....ML 30362

Upon recommendation of Mr. Prince, the Director approved the assignment of 5% overriding royalty in the Oil, Gas and Hydrocarbon leases to Houston Oil Partnership, c/o Pruitt & Gushee, Suite 875, Beneficial Life Tower, Salt Lake City, UT 84111 by Houston Oil & Minerals Corporation. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Houston Oil & Minerals Corporation

....ML 33694....ML 28331....ML 28941....ML 30357...ML 30358....ML 30362

TOTAL ASSIGNMENTS - GEOTHERMAL STEAM LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Geothermal Steam leases listed below to

Caroline L. Hunt - 40%; Nancy B. Hunt - 20%; Norma K. Hunt - 20%
and Caroline Hunt Trust Estate - 20%

2500 First National Bank Bldg., Dallas, TX 75202 by Fredrick E. Payne. No override.

LEASE OWNERSHIP: Fredrick E. Payne.

ML 38608....T22S, R6W, Sec 2: Lots 1-3, SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, Sec 22: SE $\frac{1}{4}$ NE $\frac{1}{4}$,
Sec 23: Lot 11, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, 566.46 Millard

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TOTAL ASSIGNMENT - SAND, GRAVEL, BORROW & FILL MATERIAL

Upon recommendation of Mr. Prince, the Director approved the assignment of the Sand, Gravel, Borrow & Fill Material lease listed below to Curtis Lamb, 1550 West 2500 North, Vernal, UT 84078 by Estate of H. G. Saunders. No override.

LEASE OWNERSHIP: Estate of H. G. Saunders

ML 31803....T4S, R20E, Sec 24: SW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ of Lot 4, 60 00 Unitah

TOTAL ASSIGNMENT - METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals leases listed below to Minatome Corporaton, 2121 South Oneida St., #400, Denver, Co 80224 by Plateau Resources Limited. . Override as listed below. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Plateau Resources Limited

Subject to 2% previously reserved overriding royalty.

ML 24190....T37S, R21E, Sec 2: S $\frac{1}{2}$, 320.00 San Juan

ML 33315.... Assignment subject to sublease to Sum Co., Inc.
by Plateau Resources Limited approved September 8, 1980
to expire December 31, 1984. See assignment for override.

T43S, R14E, Sec 36: Lots 1-4, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, 602.6 San Juan

OVERRIDING ROYALTY ASSIGNMENT - METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Prince, the Director approved the assignment of a 2% overriding royalty acquired by assignment date December 4, 1978 from Dale Whittenburg and Gilbert Fowler to Minatome Corporaton, 2121 South Oneida St., Suite 400, Denver, Co 80224 by Plateau Resources Limited. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Plateau Resources Limited.

.....ML 24190

DIVISION ORDER STAGECOACH UNIT WELL 18-17

Belco Petroleum Corporation, operator of the Stagecoach Unit, has submitted a Division Order to cover natural gas productions from the Stagecoach Unit Well 18-17 in which the State of Utah participates. This Division Order correctly states the interest of the State of Utah and Upon recommendation of Mr. Prince, the Director approved this Division Order. All royalty paid under this Division Order should be credited to ML 1299.

RELINQUISHMENT OF COAL LEASE

Robert P. Hill, lessee under Coal lease ML 36821, has filed a relinquishment of this lease. Upon recommendation of Mr. Prince, the Director approved the termination of this lease and offering the lands for lease by simultaneous bid.

ML 36821

T27S, R9E, SLM.

Section 16: NW $\frac{1}{4}$ 160.00 acres Wayne County

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REQUEST FOR APPROVAL OF THE DRUM MOUNTAINS UNIT *EWB*

Phillips Petroleum Company, operator of the Drum Mountains Unit, has filed this geothermal steam unit for approval by the State of Utah. The Drum Mountains Unit is located approximately 30 miles northwest of Delta in Juab and Millard Counties. This unit contains 64,523.50 acres of which 56,021.14 acres or 86.82 percent are Federal lands and 8,502.36 acres or 13.18 percent are State Lands. The unit agreement provides that the operator will, within six months after the effective date of the unit, commence the drilling of a well to a depth of 7,500 feet. This unit is in order and contains all of the necessary State Land provisions.

The following are the State of Utah leases in this unit:

ML 38629	M.A. Rhodes
ML 38630	M.A. Rhodes
ML 38631	M.A. Rhodes
ML 38632	M.A. Rhodes
ML 38633	M.A. Rhodes
ML 38635	Phillips Petroleum Company
ML 38894	Phillips Petroleum Company
ML 38895	Phillips Petroleum Company

These leases have been committed to the unit. Upon recommendation of Mr. Bonner, the Director approved this Unit.

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SURFACE BUSINESS MATTERS

RIGHT OF WAY APPLICATIONS APPROVED *KWH*RIGHT OF ENTRY NO. 2144

This office is in receipt of a request from Western Geophysical Company of America, Wayside Inn, Monticello, Utah 84535 for permission to conduct a seismic survey - shothole method across the following state lands:

Township 38 South, Range 24 East
Section 2: San Juan County

Township 39 South, Range 26 East
Section 16: San Juan County

The fee for a seismic survey - shothole method is \$20.00/hole @ 13 holes totaling \$260.00, plus a \$20.00 application fee totaling \$280.00; school fund. Upon recommendation of Mr. Higgins, the Director approved this Right of Entry with a August 1, 1981 expiration date.

RIGHT OF ENTRY NO. 2145 *RBW*

Seisdata Services, Incorporated, Special Account Number 003, 4180 West Desert Inn Road, Las Vegas, Nevada 89102, has requested a temporary right of entry for seismic survey across the following described State land:

Township 24 South, Range 20 East, SLB&M
Section 2, 9, 10, 12, 14, 22, 25, 32, and 35 - Grand County

Terms are \$100.00 per mile for a cost of \$1,000.00 plus a \$20.00 application fee for a total charge of \$1,020.00. School Fund. Expiration Date: August 31, 1981. Upon recommendation of Mr. Wilcox, the Director approved this Right of Entry.

RIGHT OF ENTRY NO. 2147 *RAW*

Seiscom Delta Inc., P.O. Box 76, Richfield, Utah 84701, has submitted an application for a seismic survey (primacord) 15.5 miles @ \$100.00/mile across the following described State Land in Juab, Millard, Sanpete, Carbon and Sevier Counties:

Township 14 South, Range 1 East
Section 2
Township 15 South, Range 8 East
Section 10: NE $\frac{1}{4}$ SE $\frac{1}{4}$
Township 15 South, Range 7 East
Section 2
Township 17 South, Range 2 East
Section 16: E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
Township 16 South, Range 2 West
Section 8: NE $\frac{1}{2}$ SW $\frac{1}{4}$, Section 7: E $\frac{1}{2}$ NW $\frac{1}{4}$
Township 20 South, Range 1 East
Section 12: NE $\frac{1}{2}$ NW $\frac{1}{4}$; Section 2: S $\frac{1}{2}$
Section 3: S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
Township 19 South, Range 3 West
Section 2
Township 23 South, Range 1 East
Section 2

Township 16 South, Range 1 East
Section 32: S $\frac{1}{2}$
Township 16 South, Range 4 West
Section 2: E $\frac{1}{2}$ NE $\frac{1}{4}$
Township 15 South, Range 4 West
Section 32
Township 15 South, Range 5 West
Section 26; Section 32
Township 18 South, Range 3 West
Section 32: NW $\frac{1}{4}$
Township 22 South, Range 1 West
Section 32: NW $\frac{1}{4}$; Section 36

Township 20 South, Range 2 East
Section 16; Section 15

The initial payment is \$1,550.00, plus a \$20.00 application fee, totaling \$1570.00. Normal School, School of Mines, and School fund. The expiration date is September 1, 1981. Upon recommendation of Mr. Brown, the Director approved this Right of Entry..

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AMENDMENT TO RIGHT OF WAY NO. 2099

MMW

Eureka Energy Company, P.G.& E., 77 Beale Street, San Francisco, CA 94106 has requested the following amendment to Right of Way No. 2099 to install an underground water line and an overhead power line on the following described State land in Carbon County:

T13S, R11E, SLB&M
Section 36: SE $\frac{1}{4}$
T13S, R12E, SLB&M
Section 32: W $\frac{1}{2}$

Carbon County
Totals 3.13 acres, more or less
Carbon County
Totals 4.45 acres, more or less

The initial payment is \$640.00, plus a \$20.00 application fee, for a total of \$660.00. This fee is in addition to the already existing payment on the original right of way. School fund. Upon recommendation of Mr. Wall, the Director approved this Amendment of Right of Entry No. 2099.

CERTIFICATE OF SALE ASSIGNMENT
Cert of Sale No. 24133

MMW

Chicota Ranch, c/o Jack Harvey, Huntington, UT 84528 has submitted an assignment of this certificate of sale to Black Diamond Energy, P. O. Box 486, Wellington, UT 84542 on the following described State land:

T15S, R10E, SLB&M
N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

Carbon County

Upon recommendation of Mr. Wall, the Director approved this Assignment of Certificate of Sale No. 24133.


INTEREST RATES

CURRENT

YEAR AGO

Prime Rate	20.00	15.57
Federal Funds	9.50	7.40
Discount Rate	13.00	12.00


WILLIAM K. DINEHART, DIRECTOR
DIVISION OF STATE LANDS/FORESTRY


VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209

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